

ASP Reimbursement Rate at +6% Issue Brief

Issue

Any reductions to Medicare Part B reimbursement from ASP+6% would likely result in interruptions to continuity of care and displacement into the hospital outpatient setting for plasma protein patients. MedPAC has reported that even at +6% physician reimbursement is sometimes tenuous, reimbursing below cost for certain products. A reduction in Part B reimbursement would broaden the number of therapies reimbursed below cost, restricting patient access for a greater number of beneficiaries, and in turn potentially increasing overall costs for the healthcare system by increasing the rate of adverse events, emergency treatments, and hospital readmissions.

Unfortunately, plasma protein patients have previously borne the negative repercussions associated with a reduction in Part B reimbursement. Specifically, in 2005 CMS changed Part B reimbursement methodologies from average wholesale price (“AWP”) to average sales price (“ASP”), effectively lowering the reimbursement rate for many physicians. As a result of this reduction in reimbursement, many plasma protein therapeutic patients, who rely on regular infusions for their life sustaining treatments, were acutely affected when they were dislocated from their site of care and forced to seek care in the hospital outpatient setting, increasing their risk for hospital borne infections. Further reducing the Part B reimbursement rate would be an unfortunate reiteration of past consequences.

PPTA Position

PPTA recognizes that from a *budgetary standpoint* lowering the Part B reimbursement rate offers a relatively clean pathway to deficit reduction—it is simply lowering a percentage, yielding \$1b per point—however, PPTA urges Congress to consider the severe cost to patient health associated with implementing a policy based on convenience. In particular, PPTA urges Congress to consider the following:

- Plasma protein patients rely on regular infusions as part of their life sustaining treatment regimen;
- Interrupting plasma infusion regimens dramatically increases risks to patient health;
- Plasma protein patient immune systems are most vulnerable to infection directly prior to an infusion treatment;
- Forcing immune compromised plasma protein patients into the hospital setting increases patient risk of hospital borne infections;

In light of the severe risks to patient health associated with lowering ASP reimbursement, PPTA urges Congress to maintain Part B reimbursement at ASP+6%.